

**COUNCIL ACTION FORM**

**SUBJECT: CONTRACT EXTENSION FOR CITY HALL CUSTODIAL SERVICES**

**BACKGROUND:**

On June 11, 2013, the City Council awarded a contract to Klean Rite to provide custodial services for the City Hall and Community Center for the period from July 1, 2013 through June 30, 2014. This contract also included four optional renewal periods.

The period from July 1, 2017, through June 30, 2018, is the fourth and final optional renewal period. Klean Rite indicated that there would be a 0.75% price increase for this renewal period. Extension periods are contingent upon approval of funding by Council.

The approved operating budget for these services in FY 2017/18 was set at \$92,921. The following budgeted amounts will cover the base and hourly bid costs for this renewal:

\$72,400	Facilities Budget
\$11,065	Gym & Community Center Budget
\$ 5,000	Auditorium Budget
<u>\$ 4,456</u>	Wellness Budget
<b>\$92,921</b>	<b>Total Budgeted Funding</b>

**ALTERNATIVES:**

1. Award the contract renewal option for the FY 2017/18 custodial services for the City Hall and Community Center to Klean Rite in the amount of \$58,376.72 per year plus \$20.50 per hour for emergency callback and additional work as authorized.
2. Reject renewal award and direct staff to re-bid custodial services.

**MANAGER'S RECOMMENDATION:**

Klean Rite is the current provider of custodial services in City Hall and the Community Center and has provided these services for the past several years. Based on the previous bids, Klean Rite provides these services at a relatively low overall cost. They have also worked closely with staff to continually improve the quality of services received.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.